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Message Text

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ACTION SNM-02

INFO OCT-01 NEA-10 ISO-00 AID-05 DEAE-00 IGA-02 /020 W
----------102753 041218Z /41
P 041006Z SEP 77
FM AMEMZASSY ISLAMABAD
TO SECSTATE WASHDC PRIORITY 3680

UNCLAS SECTION 1 OF 2 ISLAMABAD 8994

FOR DEPT. STATE, S/NM
PASS AID, SER/INC

E.O. 11652: N/A
TAGS: SNAR, PK
SUBJ: REQUEST FOR FY 77 ALLOTMENT OF FUNDS FOR INCOME
SUBSTITUTION RESEARCH PROJECT

REF: A) ISLAMABAD 8459, B) STATE 199173, C) STATE 198429

SUMMARY: IN PROCESS OF REVIEWING PROPOSED PROJECT, WE HAVE
IDENTIFIED SOME QUESTIONS AND ISSUES THAT WE BELIEVE SHOULD BE
CALLED TO DEPARTMENT'S ATTENTION. WHILE FINAL DECISION MUST
BE MADE BY DEPARTMENT, WE DO NOT CONSIDER THE QUESTIONS
TO BE SUFFICIENTLY SERIOUS, ON BALANCE, TO WARRANT DELAY IN
THIS PROJECT FOR WHICH TIME FOR IMPLEMENTATION THIS YEAR IS
ALREADY VERY SHORT. WE ARE WORKING TOWARDS NEGOTIATION OF A PROJECT
AGREEMENT WITH THE GOP AND SUBSEQUENTLY A SPECIFIC SUPPORT
GRANT OR CONTRACT, AS APPROPRIATE, TO THE PAKISTAN TOBACCO
COMPANY TO IMPLEMENT THE PROPOSED PROJECT. ACTION REQUESTED:
IF THE DEPARTMENT CONCURS THAT WE SHOULD GO AHEAD, IMMEDIATE
ALLOTMENT OF DOLS 275,000 AND FAA SECTION 612(B) DETERMINATION
TO PERMIT DIRECT DISBURSEMENT OF DOLLARS FOR L/C COSTS. U.S.G.
OWNED LOCAL CURRENCY NOT CONSIDERED SUITABLE AT THIS STAGE.
SOURCE WAIVER UNDER FAA SECTION 636(I) FOR PURCHASE OF ONE
VEHICLE AND SIX MOTORCYCLES.END SUMMARY.

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1. IN REVIEWING THE PROPOSED PROJECT IT BECAME APPARENT THAT
THE EVIDENCE UPON WHICH THE PROJECT IS BASED IS ESSENTIALLY
SUBJECTIVE, I.E. OBSERVATIONS OF SOME KNOWLEDGEABLE PEOPLE.
WE DO NOT HAVE OBJECTIVE VERIFIABLE QUANTITATIVE DATA WHICH
WOULD PROVIDE POSITIVE SUPPORT FOR THE THESIS THAT EXPANSION
OF TOBACCO PRODUCTION RESULTS IN A PARALLEL REDUCTION IN THE
PRODUCTION OF OPIUM POPPIES. THE MOTIVE FOR ANY REDUCTION

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DOES NOT LIE IN RELATIVE RETURNS, WHICH CONTINUE TO FAVOR POPPIES. WE DON'T KNOW HOW MUCH MORE WE CAN LEARN ABOUT MOTIVATION WITHOUT EXPERIMENTATION OF THE SORT WE ARE PROPOSING. WE ARE TRYING WITHIN THE MISSION TO GATHER ADDITIONAL INFORMATION AND REFLECT THIS IN THE PROJECT AGREEMENT TO THE EXTENT WE CAN DO SO IN THE SHORT TIME REMAINING. A COMMITTEE HAS BEEN CREATED FOR THIS PURPOSE AND HAS BEGUN ITS ASSIGNMENT.

2. THE MISSION REVIEW BROUGHT OUT THAT THE PAKISTAN

TOBACCO COMPANY WAS ALREADY ENGAGED IN EXPANSION ACTIVITIES AND THE THOUGHT THAT IT MIGHT BE FEASIBLE TO LIMIT THE PROJECT TO FUNDING DESIRABLE RESEARCH AND ANALYSIS RELATED TO THIS ACTIVITY. THE MISSION CONCLUDED, HOWEVER, THAT THE EXPANSION PROGRAM OF THE TOBACCO COMPANY WAS NOT SIMILIAR TO THE EXPERIMENTS DESCRIBED IN THE PROJECT AND THAT THEREFORE THE INFORMATION AND ANALYSIS OBTAINED WOULD NOT MEET THE OBJECTIVES OF THE PROJECT. IT WAS FURTHER CONCLUDED THAT THE PAKISTAN TOBACCO COMPANY, A PRIVATE PROFIT MAKING ORGANIZATION, COULD NOT BE EXPECTED TO ALTER ITS EXPANSION PROGRAM TO MEET THE PROJECT OBJECTIVES WITHOUT OUTSIDE FUNDING OF THESE EXPERIMENTS. AS THE PROJECT PROPOSES AN EXPANSION AND ACCELERATION OF THE COMPANY'S NORMAL ACTIVITIES BEYOND THAT PRESENTLY PLANNED BY THE COMPANY. IT WAS CONCLUDED, HOWEVER, THAT THE SPECIAL COMMITTEE REFERRED TO IN PARA 1 ABOVE SHOULD STRENGTHEN THE RESEARCH DESIGN IN UNCLASSIFIED

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ORDER TO PROVIDE GREATER ASSURANCE THAT THE INFORMATION AND ANALYSIS OF THE EXPERIMENT WILL YIELD THE DESIRED INFORMATION.

3. OUT REVIEW BROUGHT OUT THAT THE EXPERIMENT WILL INEVITABLY DISPLACE SOME FOOD PRODUCTION IN THE EXPERIMENTAL AREA. WE RECOGNIZE THE PRESENTATIONAL DIFFICULTIES THIS MIGHT CAUSE. IN TERMS OF PAKISTAN'S FOOD CROP PRODUCTION AS A WHOLE, THE DISPLACEMENT WOULD BE TRIVIAL. IN TERMS OF THE FOOD PRODUCTION IN THE TARGET AREA, IT COULD BE AS MUCH AS ONE-FOURTH. WE DECIDED THE RISK IS WORTH TAKING: AT WORST WE WILL HAVE DEMONSTRATED SOME DIFFICULTIES IN A VERY LIMITED AREA WITH ABSOLUTELY MINIMAL EFFECTS ON THE COUNTRY AS A WHOLE. WHATEVER THE RESULTS, THEY SHOULD HELP US IN FUTURE PLANNING IN THIS FIELD. HUMMEL

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ACTION SNM-02

INFO OCT-01 NEA-10 ISO-00 AID-05 DEAE-00 IGA-02 /020 W
----------102821 041219Z /41
P 041006Z SEP 77
FM AMEMBASSY ISLAMABAD
TO SECSTATE WASHDC PRIORITY 3681

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FOR DEPT. STATE, S/NM
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4. PER REF C PARA 2, MISSION HAS CONCLUDED THAT UTILIZATION OF EXCESS RUPEES WOULD REDUCE THE INCENTIVE FOR AND INTEREST OF THE GOP PARTICULARLY THE MINISTRYOF FINANCE, ECONOMIC AFFAIRS DIVISION WHICH WILL BE PRIME GOP PARTZ TO PROJECT AGREEMENT. FOR THIS REASON FAA SECTION 612(B) DETERMINATION REQUESTED WHICH WILL PERMIT DIRECT PAYMENT OF DOLLARS TO GOP FOR L/C COSTS. IF THIS EXPERIMENTAL PROBE PROVES EFFECTIVE AND DESERVING OF EXPANSION WE FORESEE POSSIBLE UTILIZATION OF U.S. OWNED RUPEES IN FUTURE YEARS.

5. AFTER CONSIDERATION OF THE ABOVE ISSUES IT WAS THE CONCLUSION OF THE MISSION THAT WE SHOULD PROCEED WITH THE EXPERIMENTAL PROJECT AND AT THE SAME TIME MAKE EVERY EFFORT TO MINIMIZE ADVERSE EFFECTS AND TO STRENGTHEN OUR CURRENT KNOWLEDGE BASE AND THE RESEARCH DESIGN BUILT INTO THE PROJECT.

6. UNDER THE PROJECT THE TOBACCO COMPANY WILL PURCHASE ONE VEHICLE AND SIX MOTOR CYCLES TO USE IN MONITORING THE PROJECT. AT END OF PROJECT THE VEHICLES WILL BE TURNED OVER TO THE PNCB TO BE USED FOR SURVEILLANCE PURPOSE. A' VEHICLE SOURCE WAIVER UNDER FAA SECTION 636(1) IS REQUESTED. THIS WOULD APPEAR TO MEET THE WAIVER CRITERIA SET FORTH IN AID HANDBOOK I-B PAGES 4-7 SINCE THE VEHICLES ARE REQUIRED IN EARLY OCTOBER 77 AND SINCE US MADE VEHICLES AND CYCLES
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ARE INAPPROPRIATE FOR SURVEILLANCE PURPOSES IN PAKISTAN.

7. IF THE DEPARTMENT CONCURS, WE REQUEST AN ALLOTMENT OF FUNDS TO ALLOW US TO PROCEED WITH PREPARATION AND NEGOTIATION OF THE PROJECT AGREEMENT AND SPECIFIC SUPPORT GRANT TO PAKISTAN TOBACCO COMPANY. SPECIFIC SUPPORT GRANT WILL FOLLOW FORMAT HANDBOOK 13, CHAPTER 4.

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Message Attributes

Automatic Decaptioning: X
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Disposition Approved on Date:
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Disposition Comment:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
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SAS ID: 1387658
Secure: OPEN
Status: NATIVE
Subject: REQUEST FOR FY 77 ALLOTMENT OF FUNDS FOR INCOME STITUTION RESEARCH PROJECT
TAGS: SNAR, PK, US
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